GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Industries and Commerce Department-Sanction for an amount of Rs.40.00 Crores to Krishnapatnam International Leather Complex, Hyderabad, for Development of Infrastructure for Establishment of Mega Leather Cluster at Kothapatnam (V), Kota (M), S.P.S.R. Nellore District- Orders – Issued.

INDUSTRIES AND COMMERCE (PROGRAMME.III) DEPARTMENT

G.O.RT.No. 428 Dated: 23-12-2016

Read the following:

1) From the CEO, KPILC, Hyderabad, Lr.No.KPILC/Accts/Grant/2014-15, Dt:10.03.2015
2) G.O.Rt.No.2288, Finance (FMU-REV,INDS-COM) Dept., dt.10-12-2016

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O R D E R:

In the reference 1st read above, the Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad has informed that the Krishnapatnam International Leather Complex Pvt., Ltd., was established on 19-08-2008 under companies Act, 1956 as Special Purpose Vehicle, by Andhra Pradesh Industrial Infrastructure Corporation & Leather Industries Development Corporation of Andhra Pradesh with the share capital of Rs.10,00,000 at 51% and 49% ratios respectively with a view to develop the leather industry in Andhra Pradesh and to provide direct and indirect employment to about 15,000 personals. In this connection Government of Andhra Pradesh have allocated 537 acres of land at Kothapatnam, Kota (M) of SPSR Nellore District.

2) The Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad has further stated that all studies relating to the Leather Industry viz, site suitability, demarcation of HTL, LTL and CRZ boundaries, REMIOA Studies, EIA studies etc., completed by various agencies viz, NIO, EPTRI and L&T Ramboll Andhra Pradesh Coastal Zone Management Authority (APCZMA), Hyderabad granted No objection Certificate for Coastal Regulatory Zone (CRZ) clearance on 15.03.2014. Public hearing was conducted successfully by District Administration along with the officials of APPCB, APIIC, LIDCAP and KPILC on 06.03.2014 at project site, Kothapatnam Nellore.

3) The Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad have appointed M/s Grant Thornton India LLP, New Delhi as Project Development and Management consultancy. They have prepared the Detailed Project Report (DPR) and submitted to DIPP on 08.09.2014 for obtaining approval to implement the project. As per the Detailed Project Report the project cost is estimated at Rs.281.62 crores. He is further stated that the Government of Andhra Pradesh has allocated a grant of Rs.50.00 Crores from IID funds for development of infrastructure in the Mega Leather Cluster. This grant is envisaged to support the infrastructure cost relating to CETP, Power connection, Internal Roads providing water from Desalination Plant and expenditure for marine outfall etc., He stated that Government have already released Rs.10.00 Crores during the year 2010-11, out of the Rs.50.00 Crores sanctioned. Out of 10.00 Crores an amount of Rfs.6.80 Crores was deposited with R&B for widening and strengthening of approach road to the project site and the Road work will be completed by the end of March,2015. The balance grant of Rs.3.20 Crores was utilized for conducting environmental management studies. He further stated that as the pre-conditions, for release of 1st installment by DIPP, include opening of Trust Retention Account and to keep a proportionate amount of Rs.37.5 Crores by KPILC. Hence KPILC has to create a Trust Retention Account with Rs.37.5 Crores immediately and inform the DIPP to avail the grant. The remaining work will be attended with the balance grant amount from DIPP New Delhi and also with the promoters contribution is Rs.64.32 Crores.

4). The Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad, has requested the Government to release balance grant of Rs.40,00,00,000/- (Rupees Forty Crores only) from Industrial Infrastructure Development Funds or from any other source to KPILC to commence infrastructure works for establishment of Mega Leather Cluster (MLC) at Kothapatnam, Kota (M) of SPSR Nellore district.

(contd…2)

5. Government, after careful examination of the proposal of the Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad, and in pursuance of the orders issued in G.O.2nd read above, hereby accord administrative sanction for an amount of Rs.40.00 Crores (Rupees Forty Crores only) to the Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad as additional funds in relaxation of Treasury Control and Quarterly Regulation Orders pending provision of funds by way of obtaining the supplementary grants at the appropriate time during the Financial Year 2016-17 towards release the balance amount to Krishnapatnam International Leather Complex Pvt., Ltd, SPSR.Nellore District.

6. The expenditure sanctioned in para -4 above, shall be debited to the following Head of Account:

"4860 – Capital outlay on Consumer Industries
03 – Leather
190 – Investments in Public Sector and Other Undertakings
11 – Normal State Plan
04 – Investments in LIDCAP
540 – Investments"

7. The Director of Industries, is authorized to draw the amount sanction in para -5 above by way of detailed voucher bill in favour of Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad and handover it under proper acknowledgement.

8. The Director of Industries, Hyderabad is requested to take necessary action for sending supplementary estimates at appropriate time.

9. The Chief Executive Officer, Krishnapatnam International Leather Complex Pvt Ltd, Hyderabad is directed to incur the expenditure for the purpose for which it is sanctioned, and to furnish utilization certificates.

10. This order issues as per Budget Release Order issued by Finance Department vide G.O.2nd read above, and as per their concurrence vide their U.O.No.45027/291/2016, Fin/FMU-Rev-I&C/A2, dt.25-11-2006.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIA RAJ
SECRETARY TO GOVERNMENT & CIP

To
The Director of Industries, A.P., Hyderabad
The Chief Executive Officer, Krishnapatnam International Leather Complex, Hyderabad
The Pay & Accounts Officer, Andhra Pradesh Secretariat, Velagapudi
The Director of Treasuries & Accounts, Ibrahimpatnam, Krishna District.
The Vice Chairman & Managing Director,
Leather Industries Development Corporation of Andhra Pradesh, Hyderabad.
The Accountant General, Andhra Pradesh, Hyderabad.
The Principal Accountant General (Audit-1) A.P., Hyderabad

Copy to:

The Finance (FMU-REV,INDS-COM) Department.
The P.S to Secretary to Government Industries & Commerce Department.
SF/Sc.

//FORWARDED::BY ORDER//

SECTION OFFICER